



UNITED STATES ENVIRONMENTAL PROTECTION AGENCY
WASHINGTON, D.C. 20460

FEB 14 2018

OFFICE OF
CONGRESSIONAL AND
INTERGOVERNMENTAL
RELATIONS

The Honorable Tom Carper
Ranking Member
Committee on Environment and Public Works
United States Senate
Washington, D.C. 20510

Dear Senator Carper:

Thank you for your letter of August 24, 2017, to the U.S. Environmental Protection Agency regarding grant solicitations and award decisions. Administrator Pruitt asked that I respond on his behalf.

The purpose of the grant solicitation review process EPA has in place is consistent with previous administrations. Under our current grant solicitation review process, grant solicitations are prepared by program and regional staff, who then consult with a centralized reviewer to ensure the expenditures of EPA funds are consistent with agency priorities. This process is similar in nature to long standing agency practice for grant awards, under which political appointees heading EPA program and regional offices consult with career staff as they approve or disapprove grants.

Our solicitation review process only addresses competitive grants. State, tribal and local governments receive the vast majority of EPA grant funding on a non-competitive basis for continuing environmental programs and state revolving loan funds for water infrastructure projects. These funds are allocated based on statutory, regulatory or program policy formulas that take into account a variety of factors. The process we have established for reviewing competitive solicitations does not impact these grants.

Although grant spending has declined in 2017 compared to 2016, the review process we have established for competitive solicitations has not slowed or changed the EPA's grant activity in any significant way. In fact, as of January 22, 2018, 100 percent of grant solicitations presented for review have been approved through that process, as have 99.84 percent of all grant actions presented for review. Only seven total grant actions, totaling slightly more than \$2M, have been reviewed and denied since January 20, 2017. Enclosed please find a list of the denied grants. As you know, the EPA's decision to cut incremental funding for the Bay Journal is under reconsideration. Bay Journal Media has appealed EPA's decision not to provide incremental funds for publication of the *Bay Journal*. The EPA is currently reviewing that appeal.

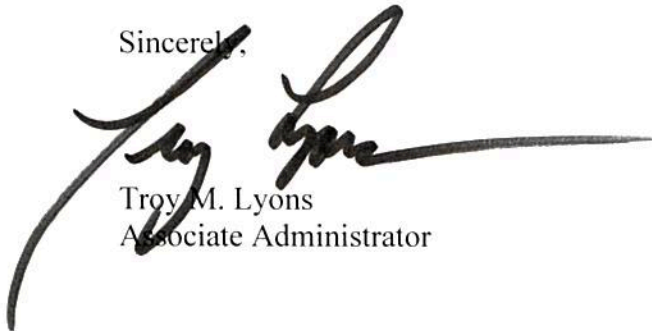
As you note in your letter, the decline in grant funding you cite may be attributed to a variety of factors, including budget uncertainty and reductions, and the typical competitive grant funding schedule. For example, Congress did not enact a Fiscal Year 2017 budget until May of 2017, so the EPA was funded from October through May by multiple continuing resolutions. During that period of time, there was uncertainty over the amount of money the EPA would be appropriated to fund grants, and what conditions Congress might place on funding for major EPA grant programs. That kind of budgetary uncertainty can delay grant applications and decisions. Ultimately, Congress reduced the EPA's budget from Fiscal Year 2016 by \$80 million and rescinded over \$61 million in funds appropriated for state and tribal grants.

EPA grant funding amounts may also fluctuate due to the terms of particular awards. For example, the EPA may award competitive funding for research and other discretionary programs for three to five year grant periods. Some grants contain large amounts in the initial year of funding. Recipients may receive more or less in any given fiscal year depending on the funding distribution cycle.

It is also important to note that an online review of the EPA grant database may not yield accurate results. EPA's grant information has historically appeared on USASpending.gov, which is managed by the U.S. Department of Treasury. The Department of Treasury stopped updating the Legacy USASpending.gov site in summer 2017 to transition to a new site, which can currently be accessed at Beta.USASpending.gov. During the transition USASpending.gov is still accessible to the public; however, the data is frozen as of mid-2017.

Thank you again for your letter. If you have further questions, please contact me, or your staff may contact Kristien Knapp in EPA's Office of Congressional and Intergovernmental Relations at (202) 564-3277 or Knapp.Kristien@epa.gov.

Sincerely,

A handwritten signature in black ink, appearing to read 'Troy Lyons', with a long horizontal flourish extending to the right.

Troy M. Lyons
Associate Administrator

Enclosure

cc: The Honorable John Barrasso
Chairman